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TAGS: [PHUM](#) [KWMN](#) [PREL](#) [KPAO](#) [AID](#) [CDC](#) [COM](#) [TRSY](#)

SUBJECT: S/GWI Project Proposal - Chile: Empowering Women through Business Management and Leadership Skills

REF: 09 STATE 132094

¶1. Mission Santiago enthusiastically nominates Fondo Esperanza (FE), a Chilean NGO that specializes in microfinance, for a grant in the amount of \$99,069 from the Secretary's Office of Global Women's Issues (S/GWI) (see REF). The project aims to: 1) empower women and promote entrepreneurship through management and leadership training in line with FE's village bank model and 2) create a website that allows for continuous tracking and education of members and provides a direct line of communication to and among FE beneficiaries. Upon completion of the 18-month project, FE will submit three reports to assess its impact: 1) an analysis of skills taught and developed in the seminars; 2) results of seminar attendance and satisfaction of participants; 3) evaluation of the overall project from operational management reports, FE's annual report, and audit of webpage visits. Post will partner with FE to review the reports.

¶2. Although arguably Latin America's most developed country, growth in Chile has not filtered down to many sectors of Chilean society, particularly to women. In fact, Chile remains one of Latin America's most unequal societies in terms of income distribution, despite having an open economy and embracing globalization. This is one reason that Chile belongs to the Pathways to Prosperity Initiative. Mission Santiago looks forward to facilitating a relationship between members of FE and Chilean Pathways participants to share best practices, provide mentoring opportunities, and lend general support. This relationship will help ensure program sustainability.

¶3. Mission Santiago is confident in FE's ability to carry out the following project. The Public Affairs Section accepts responsibility for project and financial oversight and for project monitoring and evaluation.

¶4. PROJECT DESCRIPTION:

This project builds upon a successful pilot program FE recently completed and involves three main activities: training seminars for village bank Education Delegates and Directors; accounting notebooks for all village bank members; and a member webpage.

The program will last 18 months and reach upwards of 40,000 households. It will be implemented in 11 of Chile's 15 regions and will utilize the skills of FE's team of integrated microfinance coordinators. Each coordinator will facilitate seminars in his or her area. Comunidad Mujer, a Chilean NGO dedicated to helping women in the workplace, will assist in designing workshops and training the seminar instructors.

The proposal's reach is significant: each village bank will receive intensive training and each bank member will receive a notebook to assist in accounting for loans and expenses. Because FE works throughout Chile, the project's impact would be felt across the country.

Emboffs were extremely impressed with the organization's commitment, dedication, and its ability to carry out this project. FE will complement any S/GWI grant with significant personnel and other resources (see budget at end of cable).

15. ACTIVITY 1: Workshops on basic accounting skills

During the first seminar, participants will learn basic accounting skills, including the importance of recording all income and business expenses. They will also be trained in the use of a specially-designed notebook as an accounting tool. To transfer this information to the rest of the village bank, the Delegates will be given a notebook for each of their colleagues (production costs for 39,000 notebooks are included in the project budget). They must then repeat the lessons learned and give a follow-up report to FE.

If selected for the S/GWI Small Grants Initiative, FE will print the State Department's seal on the front cover of the notebooks. The notebook prototype was well executed and user-friendly. The notebook will provide organization members with an easy means to track expenses and profits, thereby advancing long-term sustainability and success.

There will be two days of training, one per semester, in each FE office. The seminars will cover business growth, the role of the Education Delegate, and the importance of microenterprise as a poverty reduction strategy. Comunidad Mujer will assist in designing workshops that target these issues from a gendered perspective. Each seminar will reach approximately 1,700 female members. All of FE's 37,300 members will be reached when the Education Delegates repeat the training at their respective village banks.

16. ACTIVITY 2: Workshops on evaluating loan applications and lowering default risks

To achieve more effective delivery services, FE will train village bank executive committee members in finance and credit assessment, giving them the ability to properly assess new members and loan requests.

FE will hold a seminar for 800 village bank Directors on evaluating credit. The seminar will cover three main themes: 1) effective leadership skills; 2) financial education and the components of a loan, understanding what a credit committee does, the role of Education Delegates on the credit committee, and financial tools to evaluate a loan, and 3) management and conflict resolution. Participants will then incorporate the basic concepts of financial education into their respective village banks by the end of 2011.

A second seminar, also reaching 800 village bank Directors, will

cover monitoring and evaluation of credit and loans. The seminar will address how to write and create a budget that justifies a loan; monitoring and collection; tools to obtain repayment; dealing with conflict; and effective negotiation techniques.

To complement and follow-up on the implementation of the skills taught at the seminars, education sessions will be included for the entire village bank. The sessions will be taught by the Executive Committee so that each member of the village bank is aware of his or her responsibility, and together with the Executive Committee, is made accountable for the decisions of the credit committee.

17. ACTIVITY 3: Member Webpage

FE will train at least one member of each village bank in digital literacy during 2010. The seminar will teach participants how to use the internet, e-mail, and FE's members' webpage. (FE reports that at least one member of each village bank has internet access through a family member, friend, neighbor, or community organization).

A members' webpage will improve village banks' ability to buy and sell through virtual channels, keep accurate records, communicate with FE staff, and take advantage of opportunities for training on-line.

The website also will allow for monitoring and follow-up to the training process of members from past seminars.

This activity has three main objectives: 1) design a webpage that allows FE members to create networks and communicate relevant skills; 2) generate a tool that allows members to practice concepts learned from digital literacy courses; 3) empower the Executive Committee and the Education Delegates in their work, considering them the main users of this space.

18. PROJECT BUDGET:

Education Materials: State Department Contribution: \$8,788.
(Village Bank Notebook to track Repayments and Attendance: 800 Village Banks x 3 notebooks per year).

Production of a Financial Register Notebook: State Department Contribution: \$35,702. (39,000 units, one for each member of FE; designed by FE).

Food and beverages for workshops: State Department Contribution: \$6,408. (4 seminars with 5,200 participants in total).

Design, development and maintenance of Website: State Department Contribution: \$1,483; FE Contribution: \$2,405. (Server and maintenance will be provided by FE).

Misc. materials for workshops: State Department Contribution: \$7,873. (Data, photocopies, notebooks, folders, pencils, etc.).

Salaries of workshop instructors: State Department Contribution: \$14,647; FE Contribution: \$14,647. (5 instructors, 104 seminars).

Design of workshop contents and instructors' training: State Department Contribution: \$9,154.

Project monitoring and supervision costs: State Department Contribution: \$0;

FE Contribution: \$154,482. (Loan officers in field during 18 months).

Transport of workshop instructors: State Department Contribution: \$3,662.

Workshop room rental: State Department Contribution: \$9,521

Project Evaluation: State Department Contribution: \$0; FE Contribution: \$1,831.

Administrative Costs: State Department Contribution: \$0; FE Contribution: \$6,591.

(General management, operation management, administrative support, and office materials).

Miscellaneous Expenses: State Department Contribution: \$1,831.

Transport of management team to sites: State Department

Contribution: \$0;

FE Contribution: \$549.

TOTAL STATE DEPARTMENT CONTRIBUTION: \$99,069

*\$1 US= \$546.18 Chilean Pesos (02/05/2010)

19. BACKGROUND INFORMATION ABOUT FONDO ESPERANZA (FE):

FE is well-established in Chile. With over 30,000 members (clients/loan recipients) belonging to 1,600 village banks in 116 communities, FE works "to create development opportunities for the continuous improvement of living standards in the poorest communities of Chile through the efficient delivery of integral microfinance services." While FE is not necessarily a women's organization, almost 90% of its members are women and the program's primary beneficiaries are women and female-headed households. In addition, FE will work with Comunidad Mujer, a well respected NGO dedicated to helping women in the workplace, on this project.

FE's micro-credit programs work: 91% of participants report feeling more financially secure as a result of the program and their household per capita income has risen, on average, by 40% after two years. FE is considered a model in the region when it comes to education and microfinance programs. The group recently hosted Nuestras Huellas, an Argentine NGO, to share experiences and improve Nuestras Huellas' operating capacity. Funding FE's project will allow the group to build upon its institutional capacity and serve as even more of a model for other countries in the region.

SIMONS